

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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Tin Order Due Next Week

Delays encountered by the Civilian Production Administration in getting back galley proofs of amended Order M-81 has further postponed the issuance of the new tin quotas for another few days. Latest word from CPA is that the new M-81 likely will be issued by Tuesday or Wednesday of the coming week.

If copies of M-81 are made available as promised next week, a full analysis of the order will appear in the INFORMATION LETTER for November 17. Also the Association has made arrangements for the copies of the official order to be mailed to the entire canning industry as a service to member canners and the industry.

CPA's report on tin supplies has been delayed again until next week to afford more time in determining the accuracy of reports as to the conditions of the tin mines in Malaya and other recaptured tin producing areas.

Subsidies to be Removed

Removal of subsidies on all canned foods by June 30, 1946, and an announcement that no subsidies are planned for the 1946 pack, are contained in a statement issued late Thursday by Stabilization Administrator John C. Collet. Judge Collet stated that nearly all subsidies on food will be eliminated by the end of next June and that the subsidy on canned grapefruit juice will expire automatically with the selling of the 1944-45 crop and will not be renewed on the 1945-46 crop. Subsidies on canned and frozen vegetables, dry edible beans, raisins, and prunes, he said, are "to be terminated not later than the end of the 1945 crop season."

What is meant by the term "end of the 1945 crop season" could not be determined Friday officially. Sources in the Department of Agriculture admitted that no definite schedule had been drawn up for the elimination of subsidies on canned vegetables but an announcement of this program likely would follow the forthcoming meeting of the N. C. A. Board of Directors meeting at Washington, D. C.

Price Ceilings and Subsidies on N. C. A. Board Program

Part of the sessions of the meeting of the Board of Directors of the National Canners Association at Hotel Shoreham, Washington, D. C., November 19 and 20, will be devoted to the discussion of continuing price ceilings and subsidies. It is expected that at least a tentative postwar program of the Production and Marketing Administration of the Department of Agriculture will be presented; and it is not unlikely that members of the Board will be asked by government officials to express an opinion as to the program for discontinuance of subsidies. The latest schedule of subsidy termination, announced just as the INFORMATION LETTER went to press, is reported in the adjacent column.

The morning session of the Board will be given over to reports of the chairmen of various N. C. A. Committees. These will include Walter L. Graefe, Legislative; John F. McGovern, Manpower; H. F. Krimendahl, Simplification of Containers; and E. B. Cosgrove, Labeling. Also at this session a talk on the advertising program of the Can Manufacturers' Institute, by Clarence Goshorn of Benton & Bowles, is scheduled.

The PMA postwar program will be discussed at the afternoon session November 19 by E. A. Meyer, Director of the Fruit and Vegetable Branch, as will the pricing program, led by Geoffrey Baker, Assistant Deputy Administrator for Price, Office of Price Administration.

On the morning of November 20, the Board will hold an executive session devoted to the organization of the committees and staff of the Association. At the same time, the secretaries of State associations will meet with Mr. Meyer and Clifford P. Sivertson, Fruit and Vegetable Branch, Department of Agriculture, for discussion of the administration of the 1944 and 1945 subsidy programs, and for conferences with the N. C. A. staff on statistical work.

The luncheon address at the November 20 session will be made by Dr. Paul B. Dunbar, Commissioner of the Food and Drug Administration, and in the afternoon the matter of the 1945 Convention arrangements and program will be taken up, along with a discussion of the sugar situation for 1946.

Complete program of the Board meeting will be published in next week's INFORMATION LETTER.

The Board sessions, as announced before, will follow a joint meeting of the Administrative Council and Planning Committee to be held at the Shoreham, November 18. The program follows:

Administrative Council Program

Legislative Situation: Walter L. Graefe, Chairman, Legislative Committee

Labor Prospects: John F. McGovern, Chairman, Manpower Committee

Can Size Survey: H. F. Krimendahl, Chairman, Committee on Simplification of Containers

Report of Building Committee: G. Sherwin Haxton, Chairman

Report of Foreign Trade Committee: Stanley Powell, Chairman

Report and Recommendations of Special Fish Committee

The Budget and Association Finances: Secretary Carlos Campbell

The N. C. A. Canned Fish and Seafood Committee, formed to make recom-

mendations as to N. C. A. activities in that field, will meet at Association headquarters November 15 and 16.

Since both price control and subsidies have been the subject of discussion by government officials in Washington since V-J Day, and will be important in the program of the Board, the Association sent to Directors the following memorandum, prepared by Association Counsel, which summarizes the various points of view which have been reflected in numerous discussions to date. The memorandum does not represent the position of any canner, the Association, or of any individual on its staff. It is designed solely to afford background for discussion of these important subjects by members of the Board.

BACKGROUND MATERIAL ON PRICE CONTROL, SUBSIDIES**I. Price Control**

The Emergency Price Control Act and the Stabilization Act of 1942 both expire by their terms on June 30, 1946. Discussion of the probable duration of price ceilings on canned fruits and vegetables and other canned foods thus falls into two divisions. The first relates to the administrative policies which may be formulated to control price control action between now and June 30, 1946, as well as thereafter if these laws are extended. The second relates to the probable Congressional attitude toward extending these statutes.

Soon after V-E Day, Economic Stabilization Director Davis issued Directive No. 68. The text of this directive will be found in INFORMATION LETTER No. 1047, July 28, 1945, page 8714. It set forth the principle that price control of a particular commodity or product might be *suspended* rather than wholly abrogated. If, after suspension, prices rise or threaten to rise, the suspension could be immediately terminated by OPA and price ceilings reinstated. This authority to suspend price ceilings was exercised prior to the end of the Japanese war only in the case of commodities which were deemed not to enter significantly into the cost of living. It was not then contemplated that major canned foods would be relieved from price control.

Following V-J Day and the ending of rationing on canned foods, there was considerable speculation, but no official announcements, concerning OPA policy as to price ceilings on food products. On August 18, 1945, President Truman issued Executive Order 9590, which established the interim policies for reconversion. In this, the government agencies were directed:

"to continue the stabilization of the economy as authorized and directed by the Emergency Price Control Act of 1942, as amended (1) by using all powers conferred therein and all other lawful means to prevent either inflation or deflation; and (2) while so doing, by

making whatever modifications in controls over prices, wages, materials and facilities are necessary for an orderly transition from war to peace."

At the same time these agencies were directed to move as rapidly as possible without endangering the stability of the economy toward the removal of price controls.

In early October, the OPA and the Department of Agriculture jointly announced that ceiling prices on both canned and bulk sauerkraut would shortly be removed (INFORMATION LETTER No. 1057, October 6, 1945, page 8800). This was done on October 18, 1945.

On October 17, 1945, Stabilization Director John C. Collet announced that the Government planned shortly to lift price controls on processed citrus fruits.

With respect to other canned foods, Administrator Bowles announced on October 1, in estimating his budget needs, that he thought that price controls on foods, including canned foods, could be removed between January 1, 1946, and June 30, 1946. He indicated that about April 1, 1946, "a large number of canned vegetables can probably be *suspended* from control." Canned fruits, he suggested, would have to be price controlled through June, 1946. See INFORMATION LETTER No. 1050, October 20, 1945.

On October 23, 1945, however, in reporting to the Senate Banking and Currency Committee, Mr. Bowles stated:

"It is still our present hope that price control can be safely suspended or eliminated on *most* food items between now and June of next year. But industrial developments in the past month leave me pessimistic over some of the other hopes we then held.

"The most we can say now is that we are continuously studying the supply-demand situation in the various commodities and revising our estimates. Our policy will always be to remove price controls one by one as soon as it is

safe to do so without endangering stabilization.

"It is my belief that it will be demonstrated within the next six to eight months either that we have the forces making for postwar inflation under effective control or that they have licked us. But let me make it emphatically clear that the need for price control and rent control will not be ended by next June."

The Price Administrator thus made it perfectly clear that, in his opinion, many price controls would be needed beyond June 30, 1946.

On Tuesday, October 30, 1945, President Truman announced his wage-increase and price-line policy and issued Executive Order 9651. This announcement will be found in INFORMATION LETTER 1061, November 3, 1945. For present purposes, it may be noted that President Truman's policy contemplates the rigorous holding of the price line and suggests that there will be Administration support for the proposal to extend the Price Act beyond June 30, 1946. Of equal importance is the indication that there will be no substantial change in OPA pricing policies and that any increase in price will be made only after OPA is satisfied according to its existing pricing standards that increased costs cannot be absorbed.

No definite position appears to have been taken by any substantial number of Senators or Congressmen with respect to extending OPA beyond next June. The Smith Committee (House Select Committee to Investigate Executive Agencies) issued a report on October 22, 1945, criticizing OPA pricing policies and suggesting that all price control be suspended as quickly as possible. (See INFORMATION LETTER No. 1060, October 27, 1945, page 8816. Yet there has been no significant Congressional reaction to this report or to Mr. Bowles' report to the Senate Finance Committee; and there appears to be little disposition at this time for Congress to devote any attention to the subject of price control extension. In all likelihood, this issue will be deferred until after the first of the year.

On those canned vegetables which are subsidized, the subsidy is an integral part of the pricing structure. Reduction in the amount of any subsidy or elimination of any subsidy will necessarily require reconsideration of ceiling prices. Thus in any discussion concerning subsidies, it is important that it be made clear what assumptions as to future price control are being made, i.e., that price controls will be ended, or that they will continue; and if continued that the amount of the subsidy will be wholly or in part reflected in increased ceiling prices. Necessarily, some additional assumptions will have to be made as to the probable relationship between market conditions and ceiling prices, if continued, for particular products.

II. Subsidies

Whatever may be the Administration policies with respect to the continuation of subsidies, it seems clear that no new subsidy program for 1946 can be authorized without further specific Congressional approval. Section 2(e) of the Emergency Price Control Act requires such approval, and this provision will remain in effect until June 30, 1946. In other words, while the Administration has the power to cancel existing subsidies, and may always refuse to recommend continuation of any subsidy, it cannot undertake any subsidy program for 1946 unless Congress authorizes the program and appropriates money to carry it out.

It is likewise clear that most government officials carefully distinguish between the payment of subsidies and price support programs. Fruits and vegetables for canning are not what are known as Steagall Act commodities for which support programs must be maintained for two years after the cessation of hostilities has been proclaimed. (This has not as yet officially been done and may not be done until the spring of 1946; the two-year period does not begin to run until this proclamation is made.) In other words, there is no outstanding Congressional commitment for price support of fruits and vegetables for canning.

If the Department of Agriculture administratively desires to continue support prices, the only available method for insuring payment of support prices is through a subsidy contract containing certification provisions. If subsidies are discontinued, no direct method of protecting grower prices is available to the Government.

Against this brief background, there is set forth below in chronological order a summary of the principal Washington statements concerning continuation or removal of subsidies which have been issued since V-J Day.

(1) On September 6, 1945, the President in his Message to Congress said:

"The termination of wartime food subsidies, for which a total of \$1,798,000,000 has been authorized for the current year, is one of the important problems in reconversion. Agencies dealing directly with this problem are now meeting jointly to determine in what order and at what time these food subsidies may be eliminated without an undue disturbance to farm income or living costs.

"Subsidies for purposes other than food are also being reviewed by the agencies concerned, who are collecting the necessary data for an orderly liquidation at the earliest date compatible with the stabilization program.

"Those subsidies which were designed originally to stimulate increased production should not be removed at a time or in a manner to incite inflation and upset our economy.

"I have directed that early reports be made on this important problem."

On farm support prices the President stated that:

"... Because of the great demands for food that exist in this country and for relief abroad, the Department of Agriculture is planning for another year of full production. This does not mean the same volume of production for each individual crop, because the surrender of Japan has brought changes in the demand pattern. But the total acreage needed for next year will not be greatly different from this year.

"The Government now must be prepared to carry out the Nation's responsibility to aid farmers in making their necessary readjustments from a wartime to a peacetime basis. The Congress already has provided postwar supports against price collapse for many farm products. This was a provision of wisdom and foresight. . . . The Secretary of Agriculture has assured me that he will use all means now authorized by the Congress to carry out the price-support commitments.

Judge Collett's announced schedule for discontinuance of subsidies, reported on page 8831, was issued after this review of the subsidy situation went into type. The new announcement is an important part of the developing subsidy picture and should be considered along with the background material presented on this page.

"But there is need for additional measures to strengthen the machinery for carrying out price-support commitments, and for laying the basis for broader peacetime markets for agricultural products."

The President then went on to suggest exports of farm commodities, crop insurance, scientific research and similar measures in general terms.

(2) On September 18, economists of the Brookings Institute issued a report forecasting that general farm prices will drop. This decrease is expected because of the high production which has been 32 percent above the 1935-1939 level. Many farm commodity prices are now well above parity. Thus, even if price-support at 90 percent is continued, in the opinion of these accounts, an overall price reduction of approximately 20 percent may be expected.

(3) On September 20, 1945, Secretary of Agriculture Anderson made an important speech announcing general policies on subsidy removal. The speech was given before the Agricultural-Industry Conference at Decatur, Illinois.

The Secretary emphasized that he was limiting his discussion to subsidies and not price support programs. He declared that the problem is to eliminate wartime food subsidies and at the same time protect producers, processors, and consumers. He stated his belief that the subsidy problem can be solved in several steps. Many subsidies like

the grapefruit juice subsidy will expire in a few months. These, he said, need not be renewed because it is possible to obtain the necessary production without them. In addition, he said "other subsidies can be scaled down progressively until need for incentives for expanded production has passed."

The Secretary declared that some prices such as prices for butter would increase with the removal of subsidies. Others, because of the large production, would drop. On an overall basis, therefore, he declared that the increases and decreases would cancel each other out, so that removal of specific subsidies on particular products would fit in with the stabilization program because they would not lead to increases in living costs.

The Secretary declared that, in his opinion, all the so-called "hold-the-line" subsidies, with few exceptions, can disappear by June 30, 1946. He stated that the end of the war has made "wholesale continuation of these subsidies unnecessary." Therefore, he declared that these subsidies should be removed now so that the full burden of any price decline will not fall upon the farmers only.

(4) The Federal Farm Bureau is reported to favor Secretary of Agriculture Anderson's theory of removal of subsidies in the time of full demand for agricultural commodities. However, the Bureau recommends extension of the floor support guarantee in its present form until December 31, 1946. Administrator Bowles is reported to oppose removal of any subsidy which may require a price increase.

(5) On September 25, it was reported that OPA and Department of Agriculture economists have recommended to stabilization officials a gradual removal of wartime subsidies. At the time this report was made, a policy decision was necessary as to whether it would be appropriate to permit price increases with removal of subsidies or to continue subsidies for stabilization purposes. The report adopted the theory of Secretary Anderson in stating that it was better to remove the subsidies now when the price increases will be accepted by consumers rather than later when prices have softened and the producer must absorb the loss.

The report set up a tentative time table for removal of subsidies on specific items, as follows:

- Hogs—Immediately.
 - Peanut Butter—October 1, 1945, with a price increase of four cents per pound.
 - Sugar—Immediately, with a price increase.
 - Flour—no suggestion.
 - Dairy Products—gradual reduction to zero by next spring.
 - Raisins, Prunes and Edible Dry Beans—remove all price supports.
 - Soy Beans—Indefinite continuation.
- No mention was made of canned vegetables in this report.

(6) Set-aside requirements of canned fruits and vegetables were terminated on October 5 except for canned tomatoes. (See *Federal Register* for October 10, 1945, page 12677, or INFORMATION LETTERS for October 6 and 13, 1945, pages 8800 and 8805, respectively.)

(7) By a further order dated October 18, 1945, Stabilization Administrator J. C. Collett ordered termination of the butter subsidy paid by the Reconstruction Finance Corporation as of October 31, 1945. In doing so, he authorized the OPA, upon termination of the subsidy payments, to increase all maximum prices for butter by the amount of the subsidy (*Federal Register*, October 20, 1945, page 13076 or INFORMATION LETTERS for October 20, 1945, page 8814).

U. S. Bureau of Plant Industry Urges That Additional Care Be Exercised in the Packing and Shipping of Georgia Tomato Plants

In reporting on shipping tests of Georgia-grown tomato plants to northern destinations in the spring of 1945, the Bureau of Plant Industry, of the U. S. Department of Agriculture, recommends that "growers and shippers should give more attention to packing and loading of tomato plants. Good, clean plants of uniform size should be selected, and weeds and excess soil should be removed from the roots before packing in moist peat or sphagnum moss. Hampers should not be stacked higher than the bottom of the top grill of the ice bunker and they should be so spaced throughout the load as to permit good circulation of air.

"According to many receivers of tomato plants, shipments of plants under ice have proved generally satisfactory but information is needed on methods of handling the plants after arrival at destination, especially when the weather is unfavorable and plants have to be held for several days before they can be planted out."

In discussing packing and loading, the report states that "the arrival of plants at destination in poor condition could frequently be attributed to faulty methods of packing. Inspection of the delivered bundles often revealed both large and small plants in the pack, showing that little sorting had been done. Sometimes there were weeds in the pack and quantities of soil adhering to the roots. Bundles of this type never arrived in as good condition as those containing good, clean plants of uniform size. It is also probable that improper loading of the hampers resulted in high commodity temperatures during transit and contributed to the unsatisfactory

Sugar Negotiations End

The United States Committee and the Cuban Commission has announced an adjournment in the meetings to negotiate for Cuban sugar and related products until December 4, 1945. Representatives of the two Governments have been meeting in Washington during the past two weeks and in the course of the meetings, problems have developed which require further discussion in the two countries. For this reason, the Cuban Commission is returning to Havana.

Negotiations have proceeded along friendly and constructive lines and have resulted in a clearer understanding of mutual problems, informed sources report.

sums are the same as the amounts being paid shippers in connection with the support program on beans grading No. 2 or better.

The Department will make no purchases of the No. 3, off-color beans, as it is believed that these beans will move rapidly in normal trade channels.

"A" and "Star" Award Winners

Six additional canners have been certified as eligible to receive the U. S. Department of Agriculture's "A" award, and eight more have won the Department's "Star" award, the USDA has announced. "A" awards go to firms for one year of distinguished wartime service in the field of food processing. "Star" awards are granted for a second year of exceptional achievement.

The awards were granted by the Department's Achievement Award Board following consideration of wartime production data on those and other plants nominated. All nominations were filed with the Board prior to September 15, the last date for receiving nominations. At least one more Board meeting will be needed to consider nominations heretofore unreviewed or pending the receipt of additional data.

The plants receiving "A" awards are:

Pet Milk Co., Siloam Springs, Ark.; Dean Milk Co., Belvidere, Ill.; Rath Packing Co., Waterloo, Iowa; Boston Sausage and Provision Co., Boston, Mass.; Cherry Growers, Inc., Traverse City, Mich.; and R. U. Delapenha & Co., Inc., Brooklyn, N. Y.

The plants receiving "Star" awards are:

B. F. Trappey's Sons, Inc., Lafayette, La.; E. Pritchard, Inc., Winslow, N. J.; Comstock Canning Company plants in Egypt, Marion, Red Creek, and Rushville, N. Y.; H. J. Heinz Co., Medina, N. Y.; Quaker Maid Co., Inc., Brockport Cannery, Brockport, N. Y.; Zigler Canning Co., Timberville, Va.; and Rozeeman Canning Company plants in Ellensburg and Monroe, Wash.

Carroll Resigns G. M. A. Post

Grocery Manufacturers of America announced the resignation of Jean Carroll this week as director of the Grocery Manufacturers' Information Council. Mr. Carroll, who has held the post for the past year, was formerly the director of OPA's food price division.

In announcing the resignation, GMA revealed that its board of governors has approved a plan for incorporating its public relations program as an integral part of the association's public relations department.

factory appearance and condition of plants upon arrival."

Copies of the complete report may be obtained from Dr. D. F. Fisher, U. S. Bureau of Plant Industry, Beltsville, Maryland.

Price Support for Off-grade Dry Beans Extended by USDA

The Department of Agriculture on November 5 announced the extension of price supports on 1945-crop dry beans to include Michigan-produced pea, cranberry and red kidney beans grading No. 3, off-color, as an emergency action designed to avoid further reductions in the supply of beans for civilians. Michigan beans were discolored by heavy and continuous rains in late September and early October. Price supports are already in effect on grades No. 1 and No. 2 of these and other classes of dry beans.

The support price for No. 3, off-color, Michigan-produced pea beans is \$6.35 per hundred pounds, cleaned, bagged, labeled and with all charges paid f.o.b. cars at country shipping points. The support for No. 3, off-color, cranberry beans (designated as "other than Western") is \$6 per hundred pounds. For Michigan-produced No. 3, off-color, red kidney beans the support is \$8 per hundred pounds.

Shippers who pay farmers the support prices will receive payments from the Department amounting to 70 cents per hundred pounds on pea beans, 25 cents per hundred pounds on the cranberry beans, and \$1.85 per hundred pounds on the red kidney beans. These

FROZEN CHERRY CEILINGS

OPA Establishes Prices for Large Size Frozen Packs of Red Sour Pitted Cherries

Processors' dollar-and-cent ceiling prices have been established for frozen red sour pitted cherries of the 1945 and later packs in barrels and in other containers of 11 pounds or more capacity, the Office of Price Administration announced November 7. The action was taken through the issuance of Amendment 11 to Supplement 6 to Food Products Regulation 1, effective November 7.

For frozen red sour pitted cherries packed in barrels of five parts fruit to one part sugar, the ceiling prices range from 13 cents a pound in Arizona and California (Area 4) to 18½ cents a pound in Area 6, which is made up of States not included in other zones and located principally in the east. The new ceilings for this "five plus one" style pack in other States follow:

Washington (Area 1), 13¾ cents a pound; Idaho, Montana, Oregon and Utah (Area 2), 13½ cents a pound; Colorado (Area 3), 16¼ cents a pound; Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wyoming (Area 5), 16 cents a pound.

Differentials are provided for other styles of pack in barrels. For fruit packed in containers with a capacity of 11 pounds or over, other than barrels and "John Strange pails" having a capacity of 30 pounds and over, a differential of one-fourth cent a pound is allowed.

The new ceilings reflect increased raw material costs by areas, OPA said. The grower prices used in these ceilings follow:

California, Arizona, Nevada, Utah, Montana, Oregon and Idaho, eight cents a pound; Washington, 8¼ cents a pound; Texas, Oklahoma, Kansas, Colorado, Wyoming, Nebraska, North Dakota and South Dakota, 10½ cents a pound; all other States, 13 cents a pound.

Ceiling prices for unfrozen red sour cherries pitted and packed with or without sugar in containers having a capacity of 11 pounds or more that are not hermetically sealed are obtained by deducting one-fourth cent a pound from the appropriate ceiling price for frozen cherries in those containers.

All specific prices announced today are on a no-storage basis and apply to sales to civilians. Storage allowances of one-tenth of a cent a pound a month for cherries packed in barrels, and one-sixth of a cent a pound a month for

cherries packed in other container types are the same as last year. Ceiling prices for sales to government agencies are 96 per cent of the ceiling prices for other sales.

Last year the grower price on a nation-wide basis was 7½ cents a pound.

The ceiling prices of frozen red sour pitted cherries also cover wage rate increases approved up to August 18, 1945.

Forthcoming Meetings

November 12-13—Wisconsin Cannery Association, Annual Meeting, Schroeder Hotel, Milwaukee.

November 15—National Pickle Packers Association, Fall Meeting, Bismarck Hotel, Chicago.

November 15-16—N. C. A. Canned Fish and Sea Food Committee, meeting, Association Headquarters, Washington, D. C.

November 15-16—Indiana Cannery Association, Annual Convention, Claypool Hotel, Indianapolis.

November 16—Ozark Cannery Association, Inc., Fall Meeting, Colonial Hotel, Springfield, Mo.

November 16—Association of New York State Cannery, Inc., Sanitation Conference, Hotel Seneca, Rochester.

November 18—Administrative Council and Planning Committee of the National Cannery Association, Hotel Shoreham, Washington, D. C.

November 19-20—Board of Directors, National Cannery Association, Hotel Shoreham, Washington, D. C.

November 26—Texas Cannery Association, Annual Meeting, Casa De Palmas Hotel, McAllen.

November 26-27—Packaging Institute, Annual Meeting, Hotel Commodore, New York, N. Y.

November 29-30—Pennsylvania Cannery Association, 31st Annual Convention, Yorktowne Hotel, York.

December 3—National Knut Packers Association, Chicago, Ill.

December 6-7—Iowa-Nebraska Cannery Association, 44th Annual Convention, Hotel Fort Des Moines, Des Moines, Iowa.

December 7-8—Tri-State Packers' Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

December 10—Maine Cannery Association, Annual Meeting, Eastland Hotel, Portland.

December 13—Minnesota Cannery Association, 39th Annual Meeting, St. Paul Hotel, St. Paul.

December 13-14—Association of New York State Cannery, Inc., 60th Annual Meeting, Hotel Statler, Buffalo.

December 19-20—Ohio Cannery Association, Annual Meeting, Desler-Wallick Hotel, Columbus.

January 7-11, 1946—National Council of Farmers Cooperatives, 17th Annual Meeting, Edgewater Beach Hotel, Chicago, Ill.

February 3-8—National Cannery Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—National Food Brokers Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—Canning Machinery & Supplies Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

February 3-8—National American Wholesale Grocers Association, Annual Convention, Atlantic City, N. J., hotel to be announced.

March 8, 1946—Cannery League of California, Annual Meeting, Fairmont Hotel, San Francisco.

Norwegian Fish Imports Change

Due to reallocation of the exportable surplus of Norway brisling, the quantity of brisling allocated for U. S. import from the 1945 pack of Norwegian canned fish has been decreased from a previously announced 100,000 cases to about 67,500 cases, the U. S. Department of Agriculture reported November 6. To offset this reduction, the quantity of sild intended for U. S. import from Norway has been increased to about 207,500 cases from the previously announced 175,000 cases. Klipped hering importation from Norway will remain unchanged at about 100,000 cases. Total allocation of these three species will thus amount to the same number of cases previously announced—375,000.

Anticipated import of these species of canned fish from Norway was announced by the U. S. Department of Agriculture October 2, 1945. That announcement also stated that each of the three species of fish would be allocated to qualified U. S. importers on the basis of their prewar importations of the respective types into the United States during the base period of 1935-39, inclusive. This provision remains unchanged, as does that which permits each importer to select any three consecutive years of the base period for his own base period.

Michigan Cannery Elect

Officers of the Michigan Cannery Association elected at their annual meeting held at Grand Rapids, November 5 and 6, are as follows: President—William Kinnaird, Traverse City Canning Company, Traverse City; vice president—A. J. Rogers, Cherry Growers Incorporated, Traverse City; and secretary-treasurer—Harvey W. Norris, Crystal Canning Company, Frankfort.

CANNED FRUIT PACK EXPECTED TO BE ABOUT 10 PERCENT SMALLER THAN LAST YEAR, LATEST USDA REPORT SHOWS

The domestic pack of commercially-canned fruits in 1945-46 is expected to be about 1.9 billion pounds or the equivalent of 43 million cases of 24 No. 2½ cans, according to estimates issued this week by the U. S. Bureau of Agricultural Economics. This prospective pack is midway between the 2.1 billion pounds of the 1944-45 season and the 1935-39 average of 1.7 billion pounds. A little over seven-tenths of the current season's pack, listed in descending order of size, consists of peaches, fruit cocktail, pears, and apricots.

Prospective total supplies of canned fruits, which in addition to the current pack include opening stocks, imports, and large quantities of canned pineapples shipped in from the territories, are expected to be about 2.8 billion pounds, compared with 2.9 billion pounds in the previous pack year.

Supplies of canned fruits for the civilian trade may be at the prewar level of 15 pounds per capita, which is about 70 percent more than the 8.9 pounds consumed last season. This prospective large increase in civilian supplies is the result of a reduction in military requirements to less than one-half of the previous year's military procurement. Set-aside requirements for canned fruits and fruit juices were eliminated as of October 8, 1945, when the United States Department of Agriculture terminated all provisions of WFO 22.8. (See INFORMATION LETTERS for October 6 and 13, 1945, pages 8800 and 8805, respectively.)

Fruit Juices

Total supplies of commercially-canned fruit juices for the 1945-46 season, which include the domestic pack, beginning stocks, and large shipments of pineapple juice, are expected to be about 2.2 billion pounds. The previous season's supplies amounted to 2.3 billion pounds, which is the equivalent of 58 million cases of 24 No. 2½ cans. The prospective pack of 1.7 billion pounds will consist of nearly 1.4 billion pounds single-strength grapefruit, orange, and blended citrus juice.

Supplies of canned fruit juices for the civilian market for the 1945-46 pack season are expected to be about 12 pounds per capita as compared with 10.2 pounds consumed in the previous season. The prospective increase in civilian supplies of canned fruit juices is due to a large reduction in military requirements.

Frozen Fruit

The 1945 pack of commercially-frozen fruits is expected to approach

the record 1944 pack of 341 million pounds. Approximately one-third of the new pack consists of peaches and apricots, while another three-tenths is berries.

Civilian supplies of commercially-frozen fruits during the 1945 season may approximate 2.3 pounds per capita compared with a consumption of 2 pounds in 1944. This prospective civilian supply is based upon the assumption that military requirements of frozen fruits will remain about the same as in 1944 and that the stocks carried over at the end of the year will be approximately the same in quantity as the stocks on hand at the beginning of the year. Cold-storage holdings of frozen fruits as of October 1 were 347 million pounds, compared with 298 million pounds a year earlier and a 5-year average of 224 million pounds.

Dried Fruit

The 1945-46 pack of dried fruit is expected to approximate 500,000 tons, processed weight, which would be slightly less than the 500,000 tons packed in the 1944-45 season. Raisins and dried prunes combined will comprise about four-fifths of this season's pack. Prospective total supplies of dried fruits probably will be 10 to 15 percent less than the 705,000 tons of the previous pack year. This anticipated decrease in supplies is due to a drastic reduction in stocks at the beginning of this season compared with last.

Civilian supplies of dried fruits may exceed the previous record of 6.3 pounds per capita consumed in the 1940-41 pack season. The prewar (1935-39) average per capita consumption was 5.8 pounds. The prospective large civilian supplies are mainly due to about a 50 percent cut in military requirements since the end of the war with Japan. Such increased civilian supplies of dried and other processed fruits, however, must be divided among a larger civilian population, mainly because of the shift of military personnel to civilian status.

Confirm Javanese Sugar Stocks

The War Department has notified Secretary of Agriculture Clinton P. Anderson that United States army authorities in the Pacific area have confirmed the existence of sugar stocks in Java. About six weeks ago an estimate of 1,000,000 short tons was reported for Java supplies. Current estimates from army sources place the amount of sugar now in bags in Java at about 1,000,000

metric tons. An additional 400,000 metric tons are reported by Dutch authorities to be in bins. This total is equivalent to 1,600,000 short tons, as earlier reported.

Secretary Anderson warned that, due to internal difficulties in Java, it is impossible to forecast when the sugar will be available for export.

It is reported that production in Java has declined steadily during the war years, with only 500,000 tons produced in 1944.

Rogers Made N.F.B.A. Secretary

Watson Rogers has been elected secretary of the National Food Brokers' Association, succeeding William F. Wolfe, who recently resigned, to enter the food merchandising field in New York.

Mr. Rogers started his food career as a part-time worker in a retail grocery store in Oklahoma during his school days. He became a salesman for one of Oklahoma's largest wholesale grocery houses, and was head salesman in his early 20's.

He later organized and supervised a voluntary group of retailers in Oklahoma, and in 1938 left the wholesale grocery field to organize the Oklahoma Retail Grocers' Association.

Two years ago, while serving as president of the National Retail Grocers' Association, Mr. Rogers joined the National Food Brokers' Association, devoting much of his time to liaison work with governmental food agencies.

He is expected to continue many of the innovations and streamlined procedures introduced into the operations of NFBA during Mr. Wolf's tenure as secretary.

Glenn Knaub Transferred

Glenn E. Knaub, former administrator of the food section of WPB Order M-81, has been named assistant to the director of the Fruit and Vegetable Branch, Production and Marketing Administration, U. S. Department of Agriculture, to handle food management, procurement, and related activities of the Fruit and Vegetable Branch.

Before entering Government service, Mr. Knaub was salesman for a fruit and vegetable canning company. In October, 1942, he entered the canned fruit and vegetable section of the Office of Price Administration. In April, 1943, under an agreement between the War Production Board and the War Food Administration, he was named administrator of WPB Order M-81 and assigned to WPB containers division.

Small Business Complaint on Quota Discrimination Filed

Small manufacturers engaged in food processing have complained to the House Small Business Committee that they are being discriminated against by the Office of Price Administration and the Department of Agriculture in establishment of quotas for scarce rationed items such as fats, oils, and sugars necessary to their manufacturing operations.

The manufacturers in question consist principally of small firms which have engaged exclusively in food packing for the armed services. Some of these are new firms which had no base period record. With the cancellation of their government contracts which called for no quotas, they are being refused allocations of these scarce essential items without which they cannot engage in a continuance of their processing operations for the civilian trade. They allege that these refusals are predicated on their lack of a base period (pre-war) production record upon which quotas are still set by these agencies despite the outlawing of the "grandfather clause" by Congress in Public Law 458 (The War Mobilization and Reconversion Act). Section 204 of that Act, adopted October 3, 1944, states, in part:

"Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

"Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items."

Several weeks ago, a request was directed by the House Small Business Committee to the Office of the General Counsel of the Office of Price Administration for a legal opinion as to the possible applicability of the Act to the allocation of a sufficient quantity of scarce fats, oils, and sugars to small manufacturers of the type listed above. Release of the opinion is being delayed by OPA pending research by OPA's legal staff on the record of the Congressional Committee hearings on the bill in order to determine to OPA's satisfaction the precise intent of Congress when this section of the Act was

adopted. Pending release of this legal opinion, numerous small food packing plants are obliged to remain shut down, the Committee reports.

Congress Summary

Principal discussions in Congress this week concerned full employment and other labor legislation, with the principal activity on the House side.

The House committee on expenditures in the Executive departments continued hearings on the full employment bill (H. R. 2202).

OPA Administrator Chester Bowles made a statement before the Senate Committee on Education and Labor recommending the passage of the 65-cent an hour minimum wage bill taking the stand that an increase in the minimum wage will not injure the economic position of the American farmer.

The House Committee on Agriculture held hearings on a proposal for a Federally sponsored program to improve marketing of farm products.

California Sardine Pack

Deliveries of California sardines to processing plants during the week ended November 3 totaled 24,225 tons. Pack of sardines during the week was 297,973 cases. The following table shows the sardine deliveries by districts and the pack by can sizes for the current season as compared with 1944:

	Season to Nov. 3, 1945	Season to Nov. 4, 1944
Tonnage:	Tons	Tons
Northern district....	77,780	85,738
Central district....	129,087	160,317
Southern district....	61,890	73,603
Total.....	268,757	319,658
Pack:	Cases	Cases
1-lb. oval.....	767,213	798,335
1-lb. tall.....	1,331,691	863,585
3/4-lb. fillet.....	3,943
3/4-lb. round, 96's....	24,058	25,160
5-oz., 100's.....	83,373	61,180
Miscellaneous.....
Total.....	2,206,335	1,661,203

Label Men Elect Officers

The following officers of the Label Manufacturers National Association were elected November 8 at the annual meeting in Chicago: President—Joseph P. Thomas, U. S. Printing & Lithographing Co.; vice president—Edward J. Epsen, Epsen Lithographing Co.; treasurer—Henry J. Doeller, Jr., Simpson and Doeller Company (re-elected); executive secretary—Charles R. Cosby, Washington, D. C. (re-elected).

New York Sanitation Meeting to Get under Way Next Week

The Food Plant Sanitation Conference sponsored by the Association of New York State Cannerymen, Inc., in cooperation with the National Cannerymen Association, the New York State Experiment Station, and the Institute of Food Technologists, will be held November 16 at the Seneca Hotel in Rochester, N. Y. The program for the conference follows:

"Canning Plant Sanitation Problems," N. H. Sanborn, National Cannerymen Association; "Presentation of New York State Cannerymen Proposed Sanitary Code," Committee on Sanitation, Association of New York State Cannerymen, Inc. (William Perlman, C. P. Lathrop, Kenneth Dykstra, George Pierce, Chairman, and William A. Ryan, Consultant); "Designing Equipment for Ease of Cleaning," James H. Cleveland, Jr., Food Machinery Corporation; "Rodent Control in Food Plants," Dr. Donald Lewis, Pest Control Association; "Insect Control in Food Plants," Dr. Herbert Schwarz, Cornell University; "Food Plant Cleaning Problems," S. H. Miner, Wyandotte Corporation; and "Sterilizing Food Plant Equipment," Diversey Corporation.

Pimientos for Processing

The 1945 preliminary estimate of production of pimientos for processing in California and Georgia is 14,430 tons. This is 68 percent more than the 8,580 tons produced in 1944, but is 19 percent less than the 10-year (1934-43) average of 17,780 tons.

The 1945 acreage of pimientos harvested in California and Georgia is estimated at 8,920 acres. This exceeds the 1944 harvested acreage of 6,460 acres by 38 percent, but is about 38 percent less than the 10-year average harvested acreage of 14,340 acres. The following table gives, by States, the 1944 production as compared with the 1945 estimated production:

	1944	1945
	Tons	Tons
California.....	1,260	1,680
Georgia.....	7,320	12,750
Total.....	8,580	14,430

New Assistant for Bowles

Price Administrator Chester Bowles has announced the appointment of Max McCullough of Dallas, Tex., as his assistant. Leon Bosch, associate director of the Food Rationing Division, has been named to succeed Mr. McCullough as Deputy Administrator of the Rationing Department. Mr. McCullough succeeds Tom Donnelly.

PROCESSING LIMA BEANS

Record High Tonnage in Prospect This Year Exceeds 1944 Output

The 1945 preliminary estimated production of 34,580 tons of green lima beans for processing exceeds the 1944 production of 30,200 tons by about 14 percent, and the 10 year (1934-43) average production of 26,440 tons by 31 percent.

The 1945 estimated yield of 1,140 pounds per acre compares with the 1944 yield of 1,037 pounds the 10-year average yield of 1,154 pounds per acre. The yield per acre in Wisconsin and the Western States was above average in 1945, but in most of the eastern portion of the United States, unfavorable growing conditions reduced the crop toward the end of the season.

The revised estimate of acreage planted in 1945 to green lima beans for processing is 60,220 acres. The estimated acreage harvested is 60,540 acres. Loss of acreage was heavier than usual and represents about 13 percent of the planted acreage. The loss of planted acreage was especially heavy in the Atlantic Coast States where heavy rains caused considerable damage. The following table compares last year's production with the 1945 estimated output by States:

	1944 Tons	1945 Tons
New York.....	220	320
New Jersey.....	8,910	7,000
Pennsylvania.....	750	700
Ohio.....	770	600
Michigan.....	1,160	760
Wisconsin.....	970	2,100
Delaware.....	3,220	7,320
Maryland.....	1,050	1,680
Virginia.....	940	1,110
Utah.....	540	280
Washington.....	300	600
California.....	3,730	3,380
Other States.....	7,700	8,730
Total.....	30,200	34,580

Sea Food Cannery to Meet

The National Cannery Association will hold a meeting of the Canned Fish and Sea Food Committee at Association headquarters on November 15 and 16 for the purpose of considering the Association's activities on behalf of fisheries.

The N. C. A. committee meeting will be preceded by a meeting of the U. S. Department of Agriculture Canned Fish and Fresh and Frozen Fish Industry Advisory Committees on November 13 and 14. The two groups plan to discuss the next year's respective requirements for canned, fresh, and frozen fish, purchasing methods, transportation, tin supplies, and refrigeration. The industry also is expected to present the topic of price control for discussion.

The canned fish committee will meet the first day and the fresh and frozen fish group will meet the second day. The two groups will meet together on the afternoon of November 14 to consider problems of import-export duties, foreign trade policy and to hear a report on the recent conference of the Food and Agricultural Organization at Quebec.

CUCUMBERS FOR PICKLES

Near Record Crop Is 28 Percent More Than 10-year Average Output

The 1945 preliminary estimate of cucumbers produced for pickles is 7,899,000 bushels, according to the latest report of the U. S. Department of Agriculture. This exceeds the 1944 production of 7,661,000 bushels by 3 percent, and the 10-year (1934-43) average production of 6,182,000 bushels by 28 percent. The 1945 production is exceeded only by the 1942 crop of 8,307,000 bushels—5 percent larger than this year's crop. These estimates include cucumbers sterilized in glass or tin containers, but exclude green cucumbers processed as "over-night" dill and similar type pickles.

The revised estimate of acreage planted in 1945 to cucumbers for pickles is 115,060 acres. The estimate of acreage harvested is 99,430 acres. The loss of 15,630 acres planted in 1945 represents 14 percent of the total acreage planted, and is the heaviest abandonment of the past 5 years. Scattered early frosts in the Upper Mississippi River Valley caused considerable acreage abandonment in this area. In the Great Lakes territory, rains curtailed harvesting operations as the season approached the end.

The yield per harvested acre is estimated at 79.4 bushels. This compares

with 77.4 bushels obtained in 1944, and the 10-year average of 68.4 bushels. Yields were somewhat above average in California, Texas, Louisiana, and most of the South Atlantic Coast States. While the yields obtained in many States in the northern portion of the United States failed to come up to average, favorable yields in the rest of the country more than offset the reduced yields of the North. The table below lists, by States, the 1944 output as compared with the expected 1945 production:

	1944 1,000 bu.	1945 1,000 bu.
Massachusetts.....	108	137
New York.....	166	81
Ohio.....	116	90
Indiana.....	158	279
Illinois.....	108	51
Michigan.....	1,657	1,480
Wisconsin.....	1,504	1,136
Minnesota.....	73	83
Iowa.....	58	32
Missouri.....	81	82
Maryland.....	391	312
Virginia.....	336	400
North Carolina.....	647	654
Louisiana.....	18	30
Texas.....	72	108
Colorado.....	262	227
Washington.....	69	165
Oregon.....	294	275
California.....	610	1,003
Other States.....	933	1,274
Total.....	7,661	7,899

Chambliss on Growers Committee

George E. Chambliss, of Winter Haven, Fla., has been named by the U. S. Department of Agriculture to serve as alternate member from District 7 on the growers administrative committee of the Florida citrus marketing agreement and order program during the remainder of the year ending July 31, 1946. Mr. Chambliss succeeds Harry L. Askew of Lakeland, Fla., who died September 23.

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